

**ESTIMATED REVENUE EFFECTS OF THE CONFERENCE AGREEMENT FOR TITLE XV OF H.R. 2419,
 THE "HEARTLAND, HABITAT, HARVEST AND HORTICULTURE ACT OF 2008"**

Fiscal Years 2008 - 2018

[Millions of Dollars]

| Provision | Effective | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2008-12 | 2008-13 | 2008-17 | 2008-18 |
|---|----------------|-------------|---------------|---------------|-------------|--------------|---------------|------------|--------------|--------------|--------------|------------|---------------|---------------|---------------|---------------|
| Title XV. Trade and Tax Provisions | | | | | | | | | | | | | | | | |
| I. Disaster Assistance Trust Fund [1] | DOE | -272 | -1,017 | -1,015 | -910 | -593 | --- | --- | --- | --- | --- | --- | -3,807 | -3,807 | -3,807 | -3,807 |
| II. Revenue Provisions for Agriculture Programs | | | | | | | | | | | | | | | | |
| A. Extension of Custom User Fees (sunset 9/30/17) [2]..... | DOE | --- | --- | --- | --- | --- | --- | --- | 2,339 | 3,496 | 4,176 | --- | --- | --- | 10,011 | 10,011 |
| B. Increase by 7.75 Percentage Points the Required Corporate Estimated Tax Payments Factor for Corporations with Assets of at Least \$1 Billion for Payments due in July, August, and September 2012..... | DOE | --- | --- | --- | --- | 4,529 | -4,529 | --- | --- | --- | --- | --- | 4,529 | --- | --- | --- |
| Total of Revenue Provisions for Agriculture Programs | | --- | --- | --- | --- | 4,529 | -4,529 | --- | 2,339 | 3,496 | 4,176 | --- | 4,529 | --- | 10,011 | 10,011 |
| III. Tax Provisions | | | | | | | | | | | | | | | | |
| A. Conservation Provisions | | | | | | | | | | | | | | | | |
| 1. Exclusion of Conservation Reserve Program Payments from SECA tax for individuals receiving Social Security retirement or disability benefits [3] [4]..... | | | | | | | | | | | | | | | | |
| | pma 12/31/07 | [5] | -20 | -21 | -21 | -21 | -22 | -22 | -22 | -21 | -21 | -21 | -84 | -106 | -192 | -213 |
| 2. Extend the special rule for contributions of qualified conservation contributions (sunset 12/31/09)..... | | | | | | | | | | | | | | | | |
| | tyba 12/31/07 | -27 | -49 | -29 | --- | --- | --- | --- | --- | --- | --- | --- | -105 | -105 | -105 | -105 |
| 3. Deduction for endangered species recovery expenditures | | | | | | | | | | | | | | | | |
| | epoia 12/31/08 | --- | -8 | -18 | -21 | -25 | -30 | -35 | -41 | -48 | -56 | -64 | -72 | -102 | -283 | -346 |

| Provision | Effective | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2008-12 | 2008-13 | 2008-17 | 2008-18 |
|--|----------------|--------------------------------------|------|------|------|------|------|------|------|------|------|------|---------|---------|---------|---------|
| 4. Certain timber provisions (sunset one year after date of enactment): | | | | | | | | | | | | | | | | |
| a. 15% tax rate for gain on timber harvested by a C Corp; 15-year holding period | DOE | -8 | -72 | -47 | -28 | -27 | -26 | -9 | --- | --- | --- | --- | -182 | -208 | -217 | -219 |
| b. REIT provisions | DOE | 1 | 4 | -2 | -3 | -1 | --- | --- | --- | --- | --- | --- | -1 | -2 | -1 | -2 |
| 5. Qualified forestry conservation bonds (\$500 million allocation) [2] [6]..... | bia DOE | --- | -250 | --- | --- | --- | --- | --- | --- | --- | --- | --- | -250 | -250 | -250 | -250 |
| B. Energy Provisions | | | | | | | | | | | | | | | | |
| 1. Credit for production of cellulosic biofuel with a maximum credit of \$1.01 per gallon and a revised definition of biofuels (sunset 12/31/12)... | fpa 12/31/08 | --- | -6 | -33 | -121 | -188 | -54 | --- | --- | --- | --- | --- | -348 | -403 | -403 | -403 |
| 2. Comprehensive study of biofuels..... | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | | | |
| 3. Modification of the incentives relating to alcohol fuels (VEETC) 45 cents..... | DOE | --- | 427 | 610 | 167 | --- | --- | --- | --- | --- | --- | --- | 1,203 | 1,203 | 1,203 | 1,203 |
| 4. Calculation of volume of alcohol for fuel credits (denaturants limited to 2%)..... | fsoua 12/31/08 | --- | 42 | 63 | 19 | --- | --- | --- | --- | --- | --- | --- | 124 | 124 | 124 | 124 |
| 5. Extension of temporary duty on ethyl alcohol through 12/31/10 [2] [7]..... | DOE | --- | 26 | 35 | 9 | --- | --- | --- | --- | --- | --- | --- | 70 | 70 | 70 | 70 |
| 6. Limitations on duty drawback on certain imported ethanol [2]..... | [8] | 5 | 4 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 12 | 12 | 17 | 17 |
| C. Agricultural Provisions | | | | | | | | | | | | | | | | |
| 1. Qualified small issue bonds for farming - increase loan limit from \$250,000 to \$450,000 and index; and eliminate the dollar limitation in definition of substantial farmland..... | bia DOE | [5] | [5] | -1 | -1 | -2 | -2 | -3 | -3 | -4 | -4 | -4 | -4 | -6 | -20 | -24 |
| 2. Allowance of section 1031 treatment for exchanges involving certain mutual ditch, reservoir, or irrigation company stock..... | eca DOE | [5] | [5] | [5] | [5] | [5] | [5] | [5] | [5] | [5] | [5] | [5] | -1 | -1 | -2 | -2 |
| 3. Agricultural chemicals security tax credit..... | DOE | -1 | -3 | -3 | -3 | -3 | -1 | [9] | [9] | [9] | [9] | [9] | -13 | -14 | -14 | -14 |
| 4. Change the depreciation classification for race horses that are two years old or younger from seven-year property to three-year property (sunset 12/31/13)..... | ppisa 12/31/08 | --- | -18 | -56 | -78 | -77 | -68 | -30 | 41 | 81 | 79 | 65 | -229 | -297 | -126 | -61 |
| 5. Temporary relief for Kiowa County, KS and surrounding area: | | | | | | | | | | | | | | | | |
| a. Suspension of certain limitations on personal casualty losses..... | laa 5/4/07 | -4 | -3 | --- | --- | --- | --- | --- | --- | --- | --- | --- | -8 | -8 | -8 | -8 |
| b. Extension of replacement period for nonrecognition of gain..... | grooa 5/4/07 | [5] | -1 | -1 | [5] | [5] | [5] | [5] | [5] | [5] | [5] | [5] | -2 | -2 | -2 | -2 |

| Provision | Effective | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2008-12 | 2008-13 | 2008-17 | 2008-18 |
|---|------------------------------|--|-----------|------------|-----------|-------------|-------------|------------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|
| c. Employee retention credit for employers affected by May 4 storms and tornados..... | wpoia 5/4/07 & before 1/1/08 | -3 | -7 | -1 | [5] | --- | --- | --- | --- | --- | --- | --- | -11 | -11 | -11 | -11 |
| d. Special allowance for certain property acquired on or after May 5, 2007 (sunset equipment 12/31/08 and sunset structures 12/31/09)..... | ppisa 5/5/07 | -25 | -14 | -5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | -42 | -42 | -36 | -36 |
| e. Increase in expensing under section 179..... | DOE | [5] | [5] | [9] | [9] | [9] | [9] | [9] | [9] | [9] | [9] | [9] | [5] | [5] | [5] | [5] |
| f. Expensing for certain demolition and clean-up costs (sunset 12/31/09)..... | apoia 5/4/07 | [5] | [5] | --- | --- | --- | --- | --- | --- | --- | --- | --- | [5] | [5] | [5] | [5] |
| g. Treatment of public utility property disaster losses..... | DOE | [5] | [9] | [9] | [9] | --- | --- | --- | --- | --- | --- | --- | [5] | [5] | [5] | [5] |
| h. Treatment of net operating losses attributable to storm losses..... | DOE | -5 | -2 | 1 | 1 | [9] | [9] | [9] | [9] | [9] | [9] | [9] | -5 | -5 | -1 | -1 |
| i. Treatment of representations regarding income eligibility for purposes of qualified rental project requirements..... | DOE | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | | | | |
| j. Special rules for use of retirement funds (generally sunsets 12/31/08)..... | DOE | [5] | -3 | 1 | [9] | [5] | [5] | [5] | [5] | [5] | [5] | [5] | -2 | -3 | -2 | -3 |
| 6. Modifications to the advance coal project credit and the gasification project credit..... | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | | | |
| D. Other Revenue Provisions | | | | | | | | | | | | | | | | |
| 1. Limitation on excess farming losses of certain taxpayers (\$300,000)..... | tyba 12/31/09 | --- | --- | 48 | 81 | 77 | 72 | 63 | 55 | 46 | 37 | 28 | 206 | 278 | 479 | 508 |
| 2. Increase and index dollar threshold for farm optional method and nonfarm optional method for computing net earnings from self-employment [3] [10]..... | tyba 12/31/07 | 2 | 13 | 10 | 11 | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 46 | 57 | 105 | 117 |
| 3. Information reporting for Commodity Credit Corporation transactions..... | lro/a 1/1/07 | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | | | |
| E. Protection of Social Security [1] [11] | DOE | ----- <i>No Net Budget Effect</i> ----- | | | | | | | | | | | | | | |
| Total of Tax Provisions | | -65 | 60 | 552 | 14 | -254 | -118 | -23 | 44 | 68 | 49 | 18 | 302 | 179 | 325 | 339 |
| IV. Trade Provisions | | | | | | | | | | | | | | | | |
| A. Caribbean Basin Initiative (sunset 9/30/10) [2]..... | DOE | --- | -78 | -83 | --- | --- | --- | --- | --- | --- | --- | --- | -161 | -161 | -161 | -161 |
| B. Haitian Hemispheric Opportunity through Partnership Encouragement [2]..... | DOE | --- | --- | --- | -13 | -14 | -15 | -16 | -17 | -18 | -19 | -20 | -27 | -42 | -112 | -133 |

| Provision | Effective | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2008-12 | 2008-13 | 2008-17 | 2008-18 |
|---|-----------|--------------------------------------|---------------|-------------|-------------|--------------|---------------|------------|--------------|--------------|--------------|------------|-------------|---------------|--------------|--------------|
| C. Unused merchandise drawback [2]..... | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | | | |
| D. Requirements Relating to Determination of Transaction Value of Imported Merchandise [2] | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | | | |
| Total of Trade Provisions | | --- | -78 | -83 | -13 | -14 | -15 | -16 | -17 | -18 | -19 | -20 | -188 | -203 | -273 | -294 |
| NET TOTAL | | -337 | -1,035 | -546 | -909 | 3,668 | -4,662 | -39 | 2,366 | 3,546 | 4,206 | -2 | 836 | -3,831 | 6,256 | 6,249 |

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be June 1, 2008.

Legend for "Effective" column:

- | | | |
|--|---|--|
| apoia = amounts paid or incurred after | eca = exchanges completed after | lro/a = loans repaid on or after |
| bia = bonds issued after | epoia = expenditures paid or incurred after | pma = payments made after |
| bio/b = bonds issued on or before | fpa = fuel produced after | ppisa = property placed in service after |
| cmi = contributions made in | fsoua = fuel sold or used after | spa = services performed after |
| DOE = date of enactment | grooa = gains realized on or after | tyba = taxable years beginning after |
| ea = expenditures after | laa = losses arising after | wpoia = wages paid or incurred after |

[1] Estimated outlay effects provided by the Congressional Budget Office and is preliminary and subject to change.

[2] Estimate provided by the Congressional Budget Office.

[3] Estimate includes effects on Social Security outlays provided by the Congressional Budget Office.

[4] The provision has the following off-budget effects

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2008-12</u> | <u>2008-13</u> | <u>2008-17</u> | <u>2008-18</u> |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|----------------|----------------|
| effects | [5] | -17 | -18 | -17 | -17 | -18 | -18 | -18 | -17 | -17 | -17 | -69 | -87 | -156 | -173 |

[5] Loss of less than \$500,000.

[6] Credit rate set at 100 percent of the credit rate that would allow bonds to be issued without discount or premium.

[7] Estimate includes interactive effects of limitations and reductions of duty drawbacks. An estimate of a stand-alone extension of the temporary duty rate under subheading 9901.00.50 of the Harmonized Tariff Schedule would yield smaller changes in revenues.

[8] Effective for articles entered for consumption, or withdrawn from warehouse for consumption, on or after October 1, 2008; and articles entered for consumption, or withdrawn from warehouse for consumption, before October 1, 2008, if a duty drawback claim is filed with respect to such articles on or after October 1, 2010.

[9] Gain of less than \$500,000.

[10] The provision has the following off-budget effects

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2008-12</u> | <u>2008-13</u> | <u>2008-17</u> | <u>2008-18</u> |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|----------------|----------------|
| effects | 1 | 11 | 9 | 9 | 10 | 10 | 10 | 10 | 11 | 10 | 11 | 41 | 51 | 93 | 103 |

[11] Provision transfers funds from the General Fund (on budget) to the Social Security Trust Fund (off budget) through fiscal year 2017.